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HOUSE BILL 3169 By
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SENATE BILL 3206
By Dixon

AN ACT relative to providing matching funds for individual
development accounts.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, is amended by adding Sections 2 through 5
as a new appropriately designated part.

SECTION 2. (a) The purpose of this bill is to create an opportunity for all working poor
Tennesseans to build assets as a transition to self-sufficiency through a matched savings
program.

(b) Individual Development Accounts (IDAs) can be used for career development
goals for post-secondary education of eligible savers or their children, small business
development and home ownership purposes.

SECTION 3. (a) The state is hereby authorized to provide up to two hundred fifty
thousand dollars (\$250,000) to match the deposits of eligible IDA savers. Any such funds must
be appropriated in the annual appropriations act.

(b) Individuals who are eligible for an earned income tax credit, or who are
otherwise exempted from employment under a state or national needs tested program

(including TANF and Food Stamps) or who are not employed or earning income due to their disability or age (including Supplemental Security Income, Social Security Disability, and Social Security Retirement benefits) are eligible to receive matching fund donations at a rate of 2:1 for every dollar they save in an IDA.

(c) State matching funds are to be held in a separate account to be paid directly to a designated vendor, such as an institution of higher education or a mortgage finance company, when the saver reaches their savings goal. Matching fund accounts are at no time mingled with the individual deposits of savers.

SECTION 4. (a) The state is further authorized to provide up to twenty-five thousand dollars (\$25,000) to the Department of Human Services for the sole purpose of making a grant in such amount to the Tennessee Network for Community Economic Development (TNCED), a statewide nonprofit intermediary organization, to manage these state matching funds. Any such funds must be appropriated in the annual appropriations act. TNCED will also coordinate, monitor and assist in the further utilization of IDAs by working poor Tennesseans.

(b) TNCED shall carry the appropriate insurance coverage to protect them, the IDA savers and contributors to the matching accounts from any intentional financial wrongdoing on the part of the nonprofit staff. A copy of the insurance bond will be filed with the Treasurers Office and the Department of Human Services (DHS).

SECTION 5. To be eligible, IDA Savers must enroll in an IDA group sponsored by a nonprofit organization registered to do business in the state of Tennessee. The group must meet regularly for IDA savers to submit documentation of their savings deposits into their IDA Account and receive support, economic literacy training and technical assistance while building their individual development account (IDA).

SECTION 6. This act shall take effect upon becoming a law, the public welfare requiring it.

